

WHAT IS CLAIMED IS:

1. A method of facilitating issuance, by a conduit, of extendable CP having a plurality of asset-backed securitization transactions as collateral, the method comprising:

obtaining a triple-A-rated guaranty for each of the plurality of asset-backed securitization transactions; and

securing as a backstop facility an up-front commitment from a highly rated entity to purchase future conduit-issued, fixed-income, asset-backed securities;

wherein, according to the up-front commitment, the conduit issues such fixed-income, asset-backed securities in the event that it is unable to retire maturing extended CP via a combination of issuance of new extendable CP and collections arising from the plurality of asset-backed securitization transactions, proceeds of the purchase being used to retire outstanding extendable CP.

2. The method of claim 1, wherein the fixed-income, asset-backed securities that the committed purchaser commits to purchase include MTNs.

3. The method of claim 1, wherein the extendable commercial paper includes secured liquidity notes (SLNs).

4. The method of claim 3, wherein the extendable commercial paper further includes callable notes (CNs).

5. The method of claim 1, wherein the triple-A rated guaranty is provided by a monoline insurer.

6. The method of claim 1, wherein the committed purchaser includes a lead underwriter, the lead underwriter being responsible for structuring, pricing, and further syndicating a distribution of the MTNs.

Moody's
Pg 41
2nd Para

Moody's
Pg 61
7th para
Pg 54
para's 1-3

MTNs are
Fixed income
asset backed
Securities

Fitch Ratings Pg 2 2nd paragraph
Moody's Pg 53 1st paragraph

Moody's Pg 41 para 2
Fitch Pg 2 para 3
Fitch Pg 61 para 8
Fitch Pg 14 para 2
Fitch Pg 14 para 3
Fitch Pg 14 para 4
Fitch Pg 14 para 5
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Fitch Pg 14 para 100

Not given patentable
weight - see Intended use claiming and
whereby/wherein
clauses.

Capital for middle market companies

Fitch Pg 14 para 1
Moody's Pg 53 para 1, 2

country wide

Asset Backed at 4/1/03 Conduits Tweaked to Dodge FASB rule

Intended
use claim

Fitch Pg 4 Administrative agent duties
Sponsor pa 3 para 2

Moody's
Pg 29, liquidity agent
defn.
Syndicate as defined
by the free dictionary
not to a

For 7 also

Intended use claim limitation -
does not distinguish our prior art if the prior art has the same capability

intended use limitation

7. The method of claim 6, wherein the conduit is managed by a conduit administrator, the conduit administrator notifying the lead underwriter of an intent to retire outstanding extendable commercial paper through the issuance of fixed-income, asset-backed securities to the committed purchasers before the end of an extension period. *See 6*

Moody's Pg. 69 Admin Def'n

Moody's pg 61 para 7, pg 54 para 1-3

8. A method of providing liquidity for an extendable CP issue comprising:

securing a backstop facility for retirement of outstanding extendable CP from a highly rated committed purchaser in the event that circumstances giving rise to an extension cannot be cured by the end of an extension period of the outstanding extendable CP;

wherein the committed purchaser agrees to purchase fixed-income, asset-backed securities issued by the conduit to finance the retirement of the outstanding extendable CP.

*Moody's Pg 42 para 2
Pg 6 Para 8
Moody's Pg 61 para 7
Pg 54 para 1-3*
The method of claim 8, wherein the fixed-income securities include MTNs. *See 2*

10. The method of claim 9, wherein an interest rate of the MTNs is decided upon approximately when the committed purchaser is informed it must honor its commitment to purchase the MTNs. *Moody's Pg 54 para 1-3*

11. The method of claim 9, wherein the committed purchaser includes a lead underwriter.

Moody's pg 29, 73, free dictionary (syndicate)

12. The method of claim 11, wherein the lead underwriter is notified before an end of the extension period to execute its purchase of the MTNs to retire the outstanding extended CP. *See 2 and 7*

Moody's pg 29, 114 agent and pg 69 admin def'n, Moody's pg 61 para 7, pg 54 para 1-3

13. The method of claim 11, wherein the committed purchaser is obligated to purchase the MTNs notwithstanding the fact that the circumstances that originally gave rise to the extendable CP extension have been resolved.

14. The method of claim 8, wherein the extendable CP includes at least one of secured liquidity notes (SLNs) and callable notes (CNs). *See 3 and 4*

15. A backstop-facility provider for ensuring retirement of extendable CP by a legal final maturity date comprising:

at least one highly rated committed purchaser that agrees to commit itself in advance to purchase a future issue of fixed-income, asset-backed securities from a conduit, where such issuance is intended for financing retirement of outstanding extendable CP issued by the conduit by the legal final maturity date in the event the conduit cannot issue new extendable CP.

whereby / wherein clause

16. The backstop provider of claim 15, wherein the committed purchaser includes at-least-one highly rated entity, the at-least-one highly rated entity further including a lead underwriter.

17. The backstop provider of claim 15, wherein the at-least-one highly rated committed purchaser agrees in advance to purchase asset-backed medium-term notes (MTNs) issued by the conduit after the occurrence of an event that gives rise to the extension of extendable CP if such event has not been cured before a Final Funding Date of such extendable CP.

18. The backstop provider of claim 15, wherein at-least-one highly rated committed purchaser is notified by the conduit administrator a set time after an extension period begins for the outstanding extendable CP issued by the conduit, such notification instructing the at-least-one highly rated entity to purchase MTNs to retire the outstanding extendable CP.

19. A financial structure for facilitating issuance of extendable CP comprising:

a conduit for purchasing asset-backed securitization transactions and for issuing extendable commercial paper to finance purchases of such asset-backed securitization transactions, the extendable CP providing for an extension period under certain circumstances; and

a highly rated backstop provider, the backstop provider being committed in advance to purchase fixed-income, asset-backed securities issued by the conduit to finance retirement of

extendable CP issued by the conduit if the conduit is unable to retire the extendable CP before an end of the extension period.

20. The financial structure of claim 19, further comprising:

a special purpose vehicle, the special purpose vehicle securitizing existing and future financial assets through creation of at least one of variable funding certificates and variable funding notes secured by such assets, the special purpose vehicle financing such assets by issuing at least one of variable funding certificates and variable funding notes to the conduit.

see
Roeder
humb
business
editors

21. The financial structure of claim ¹⁹18, further comprising:

a financial insurer, the financial insurer guaranteeing non-default for each of the asset-backed securitization transactions purchased by the conduit.

Conduits tweaked to dodge FASB rule

what insurer?

22. The financial structure of claim 20, wherein the financial insurer has a rating of at least AAA.

Conduits tweaked to dodge FASB rule

23. The financial structure of claim 19, further comprising:

a conduit administrator, the conduit administrator performing monitoring and administration functions on behalf of the conduit.

Fitch pg 4 Admin agent

24. The financial structure of claim 23, wherein the extendable commercial paper includes secured liquidity notes (SLNs).

see 3

25. The financial structure of claim 23, wherein the highly rated backstop provider includes a lead underwriter.

26. The financial structure of claim 19, wherein the fixed-income asset-backed securities include asset-backed medium-term notes (MTNs).

see 2

27. The financial structure of claim 25, wherein the conduit administrator notifies the lead

see 7

underwriter of an intent to retire outstanding extendable CP through a sale of MTNs to the committed purchasers a preset period before the end of the extension period.

28. The financial structure of claim 26, wherein the committed purchasers agree in advance to purchase the medium-term notes (MTNs) after an occurrence of an event giving rise to an extendable CP extension if such event has not been cured a set period before the end of the extension period. ?

10/634,224 7/16/07 Costa et al

Inventor Costa et al

Fee Class 705/035

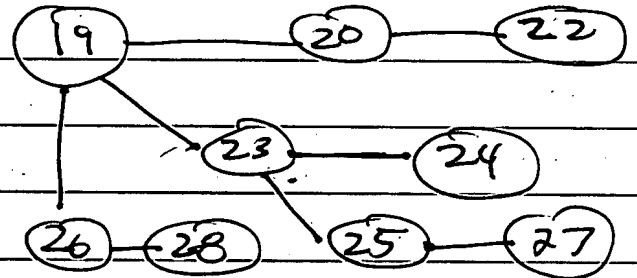
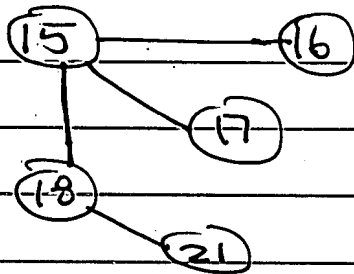
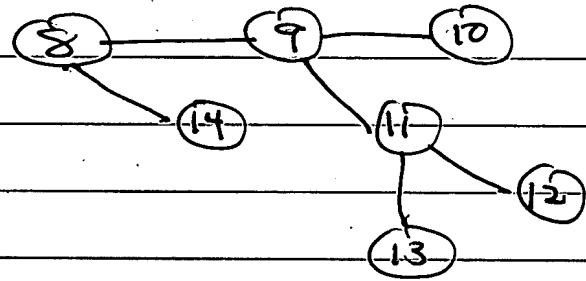
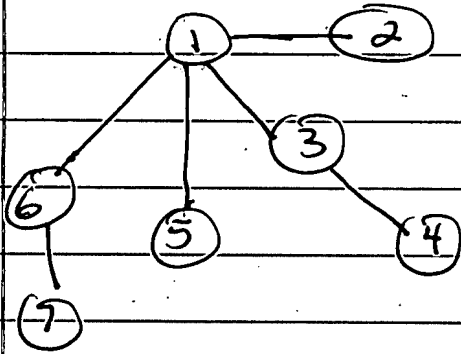
Claims 20, 4 ind

FD 8/4/03

Spec:

- ① What is a backstop facility?
- ② What is extendable ABCP?
- ③ What is a liquidity facility
- ④ Alternative to ③ used to retire outstanding ②
- ⑤ ~~Provides relief~~ Allows the due time for provision of funds to a mature CP to be extended, up to ~~390~~ extendable CP maturity is up to 390 days vs 270 days for typical CP. Operates like typical CP until occurrence of a severe credit-specific problem or MDE, at which time the maturity can be extended up to 390 days from issuance. Higher yield is provided to the investor in return for the associated risk.
- ⑥ Amortizes CPs in the event of a shortfall of primary funds from issuer.
- ⑦ Tranching -
- ⑧ Tranch - one of several related securities offered at the same time with different risk, reward and maturity characteristics
- ⑨ At the market yield.
- ⑩ ring-fenced assets - p
- ⑪ Profits from real-estate property related activities, i.e. earning rent.

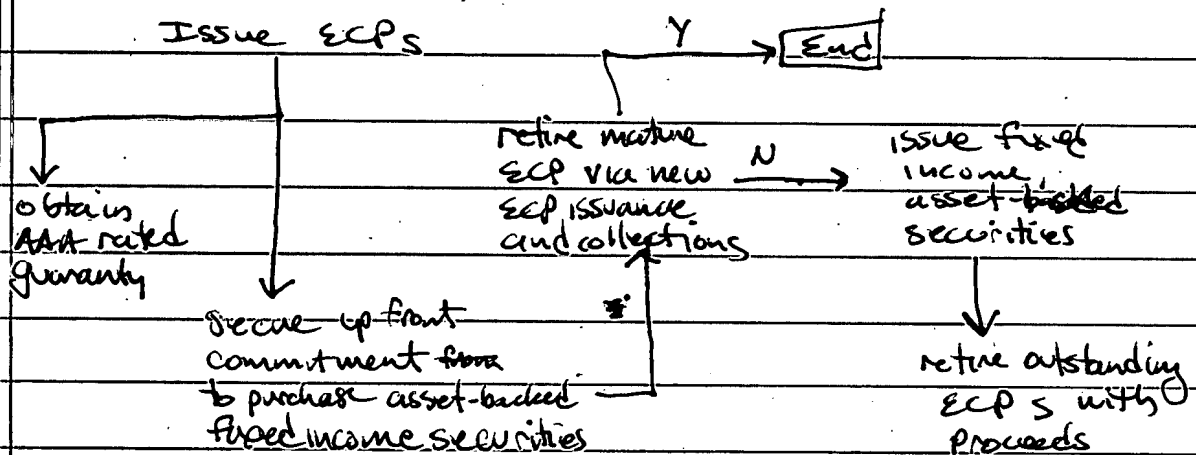
Claim Tree



112 2nd (Clarity)
and prosecute as if
dependent on 19 or 20.

Claim Diagram

①



Claim diagrams cont'd

(8)

liquidity for an
extendable CP

secure backstop
facility for outstanding
extendable CP

secure agreement to
purchase Fixed-income
asset-backed securities

(15)

backstop-facility provider

highly rated committed
purchaser

(17)

financial structure for
issuance of extendable CP

conduit for purchasing
asset-backed securitization
transactions and issuing
ECP to finance purchases
of the former

highly rated
backstop provider
committed to
purchase fixed-income
asset-backed securities

Search Strategy 7/17/07

East

Committed purchasers

Risk allocation

Backstop Facility

backstop finding

Extendable commercial paper

monoline insurer

asset-backed fixed-income securities conduit administrator

refine

Credit enhancement

mature

outstanding commercial
liquidity provider^{paper}

Medium-term notes

Liquidity

Variable fund certificates/notes

Market disruption events

705/035

asset-backed commercial paper

liquidity facilities

consolidate conduit assets

Secured liquidity notes

Callable notes

same-day finding

financial structure

Special purpose vehicles

bank sponsor

Standby commitment fee

Extension event

Extension period

liquidity risk

credit risk

spread risk

Search Strategy Cont'd 7/17/07

Database search - NPZ, Foreign patents
abstract, summary, claims

Plus search

plus request form

JSTOR, PROQUEST, EBSCOHOST

define - Commercial paper, MTN'S, SLN'S, CN'S AAA guaranty

Search
Terms Options market → Committed purchaser synonymous

Commercial paper:

- unsecured, short-term loan issued by a corporation.

~~MTN'S~~: Medium-Term Notes

- Corporate debt instrument continuously offered to investors over a period of time by an agent of the issuer. Terms from 9 mos - 30 yrs.

Option:

A privilege sold by one party to another that offers buyer right to buy or sell a security at an agreed price during a certain time or on a specific date.

Rollover:

Reinvest funds ^{from} a mature security into a new issue of the same or a similar security.

Asset-Backed:

Security collateralized by loans, leases, receivables, or installment contracts on personal property, not real estate.

Securitization:

The process of creating a financial instrument by combining other ^{fin} assets